

Message Text

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PAGE 01 LONDON 01030 281225Z

46

ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 L-03 AID-20 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01

/124 W

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R 231710Z JAN 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 7331

INFO AMEMBASSY ACCRA

AMEMBASSY BONN

AMEMBASSY ROME

C O N F I D E N T I A L LONDON 01030

E.O. 11652: XGDS-1

TAGS: EAID EFIN PFOR IBRD GH

SUBJECT: GHANA DEBT: ICSID AND REPUDIATED CONTRACTS

REF: STATE 13331

1. AS INSTRUCTED REFTEL, WE INQUIRED WHETHER ASANTE AND MASON HAVE MET IN LONDON TO CONTINUE THEIR DISCUSSIONS AND, IF SO, WHAT THE OUTCOME MAY HAVE BEEN. WE RAISED THE QUESTION DIRECTLY WITH GORDON BAKER, GHANA DESK OFFICER IN FCO, WHO INFORMED US THAT ASANTE HAS NOT BEEN TO LONDON SINCE THE ACCRA DEBT TALKS AND THAT TALKS WITH MASON HAVE THEREFORE NOT TAKEN PLACE.

2. WHEN BROACHING THE MATTER WITH BAKER IT BECAME APPARENT THAT WE HAD TOUCHED ON A SENSITIVE POINT. HE WAS OBVIOUSLY IRRITATED WITH THE QUESTION AND AT ONE POINT STATED THAT HMG HAD ALWAYS CONSIDERED THE NEGOTIATION OF REPUDIATED BRITISH CONTRACTS TO BE A BILATERAL MATTER BETWEEN UK AND GHANA. BAKER WAS DISINCLINED TO DISCUSS THE PROBLEM IN ANY DEPTH.

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PAGE 02 LONDON 01030 281225Z

3. BAKER VOICED STRONG FCO DISTRUST OF BROCHES AND HE IMPLIED THAT DURING THE ACCRA DEBT CONFERENCE BROCHES MAY HAVE GIVEN ASANTE ADVICE DETRIMENTAL TO CREDITOR INTERESTS. BAKER CONFIRMED THAT HMG IS OPPOSED TO ICSID ARBITRATION, BUT HE SHOWED CONSIDERABLE INTEREST IN BROCHES' STATEMENT THAT ICSID WOULD CONSIDER CONTESTED VALIDITY OF CONTRACTS AN INVESTMENT DISPUTE IF GHANAIS AND CREDITORS CONCUR (PARA 3 REFTEL).

4. WE PROVIDED BAKER WITH ONLY A BARE OUTLINE OF INFORMATION CONTAINED IN REFTEL AND OMITTED ANY REMARKS CRITICAL OF HMG AS WELL AS ANY REFERENCE TO DISCUSSION OF HANDLING OF REPUDIATED BRITISH CONTRACTS. WE ARE THEREFORE SOMEWHAT PUZZLED BY THE SENSITIVITY SHOWN BY BAKER. WE WILL BE ALERT TO ANY FURTHER DEVELOPMENTS ON THE REPUDIATED CONTRACTS, BUT WE WILL HANDLE THE MATTER VERY GINGERLY IN THE FUTURE.

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Message Attributes

Automatic Decaptioning: X
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Draft Date: 23 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition Reason:
Disposition Remarks:
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Executive Order: X1
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30 JUN 2005

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